

- Sec. 823. Qualifying advanced energy project credit.
- Sec. 824. New clean renewable energy bonds.
- Sec. 825. Alternative motor vehicle credit for new qualified alternative fuel vehicles.
- Sec. 826. Extension of provisions related to alcohol used as fuel.
- Sec. 827. Energy efficient appliance credit.
- Sec. 828. Reduced depreciation period for natural gas distribution facilities.

Subtitle D—Education

- Sec. 831. Qualified school construction bonds.

Subtitle E—Other Employee and Housing Relief

- Sec. 841. Making work pay credit.
- Sec. 842. Work opportunity credit.
- Sec. 843. Exclusion from income for benefits provided to volunteer firefighters and emergency medical responders.
- Sec. 844. Parity for exclusion from income for employer-provided mass transit and parking benefits.
- Sec. 845. Qualified mortgage bonds for refinancing of subprime loans.

TITLE IX—OTHER PROVISIONS

- Sec. 901. Repeal of expansion of information reporting requirements.
- Sec. 902. Repeal of sunset on tax treatment of Alaska Native Settlement Trusts.
- Sec. 903. Repeal of sunset on expansion of authority to postpone certain tax-related deadlines.
- Sec. 904. Refunds disregarded in the administration of Federal programs and federally assisted programs.
- Sec. 905. Treatment of securities of a controlled corporation exchanged for assets in certain reorganizations.

TITLE X—BUDGETARY PROVISIONS

- Sec. 1001. Determination of budgetary effects.
- Sec. 1002. Emergency designations.

TITLE I—PERMANENT MIDDLE CLASS TAX RELIEF

SEC. 101. REPEAL OF SUNSET ON CERTAIN INDIVIDUAL INCOME TAX RATE RELIEF.

(a) INDIVIDUAL INCOME TAX RATES.—

(1) REPEAL OF SUNSET.—Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to the amendments made by section 101 of such Act.

(2) 25-, 28-, AND 33-PERCENT RATE BRACKETS MADE PERMANENT.—Paragraph (2) of section 1(i) is amended to read as follows:

“(2) 25-, 28-, AND 33-PERCENT RATE BRACKETS.—The tables under subsections (a), (b), (c), (d), and (e) shall be applied—

“(A) by substituting ‘25%’ for ‘28%’ each place it appears (before the application of subparagraph (B)),

“(B) by substituting ‘28%’ for ‘31%’ each place it appears, and

“(C) by substituting ‘33%’ for ‘36%’ each place it appears.”

(3) 35-PERCENT RATE BRACKET.—Subsection (i) of section 1 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

“(3) 35-PERCENT RATE BRACKET.—

“(A) IN GENERAL.—In the case of taxable years beginning after December 31, 2010—

“(i) the rate of tax under subsections (a), (b), (c), and (d) on a taxpayer’s taxable income in the fifth rate bracket shall be 35 percent to the extent such income does not exceed an amount equal to the excess of—

“(I) the applicable amount, over

“(II) the dollar amount at which such bracket begins, and

“(ii) the 39.6 percent rate of tax under such subsections shall apply only to the taxpayer’s taxable income in such bracket in excess of the amount to which clause (i) applies.

“(B) APPLICABLE AMOUNT.—For purposes of this paragraph, the term ‘applicable amount’ means the excess of—

“(i) the applicable threshold, over

“(ii) the sum of the following amounts in effect for the taxable year:

“(I) the basic standard deduction (within the meaning of section 63(c)(2)), and

“(II) the exemption amount (within the meaning of section 151(d)(1) (or, in the case of subsection (a), 2 such exemption amounts).

“(C) APPLICABLE THRESHOLD.—For purposes of this paragraph, the term ‘applicable threshold’ means—

“(i) \$1,000,000 in the case of subsections (a), (b), and (c), and

“(ii) ½ the amount applicable under clause (i) (after adjustment, if any, under subparagraph (E)) in the case of subsection (d).

“(D) FIFTH RATE BRACKET.—For purposes of this paragraph, the term ‘fifth rate bracket’ means the bracket which would (determined without regard to this paragraph) be the 36-percent rate bracket.

“(E) INFLATION ADJUSTMENT.—For purposes of this paragraph, a rule similar to the rule of paragraph (1)(C) shall apply with respect to taxable years beginning in calendar years after 2010, applied by substituting ‘2008’ for ‘1992’ in subsection (f)(3)(B).”

(b) PHASEOUT OF PERSONAL EXEMPTIONS AND ITEMIZED DEDUCTIONS.—

(1) OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.—Section 68 is amended—

(A) by striking “the applicable amount” the first place it appears in subsection (a) and inserting “the applicable threshold in effect under section 1(i)(3)”,

(B) by striking “the applicable amount” in subsection (a)(1) and inserting “such applicable threshold”,

(C) by striking subsection (b) and redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively, and

(D) by striking subsections (f) and (g).

(2) PHASEOUT OF DEDUCTIONS FOR PERSONAL EXEMPTIONS.—

(A) IN GENERAL.—Paragraph (3) of section 151(d) is amended—

(i) by striking “the threshold amount” in subparagraphs (A) and (B) and inserting “the applicable threshold in effect under section 1(i)(3)”,

(ii) by striking subparagraph (C) and redesignating subparagraph (D) as subparagraph (C), and

(iii) by striking subparagraphs (E) and (F).

(B) CONFORMING AMENDMENTS.—Paragraph (4) of section 151(d) is amended—

(i) by striking subparagraph (B).

(ii) by redesignating clauses (i) and (ii) of subparagraph (A) as subparagraphs (A) and (B), respectively, and by indenting such subparagraphs (as so redesignated) accordingly, and

(iii) by striking all that precedes “in a calendar year after 1989,” and inserting the following:

“(4) INFLATION ADJUSTMENT.—In the case of any taxable year beginning”

(3) NONAPPLICATION OF EGTRRA SUNSET.—Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to any amendment made by section 102 or 103 of such Act.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 102. REDUCED RATES ON CAPITAL GAINS AND DIVIDENDS MADE PERMANENT.

(a) IN GENERAL.—Section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (relating to sunset of title) is hereby repealed.

(b) 20-PERCENT CAPITAL GAINS RATE FOR CERTAIN HIGH INCOME INDIVIDUALS.—

(1) IN GENERAL.—Paragraph (1) of section 1(h) is amended by striking subparagraph (C), by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F) and by inserting after subparagraph (B) the following new subparagraphs:

“(C) 15 percent of the lesser of—

“(i) so much of the adjusted net capital gain (or, if less, taxable income) as exceeds the amount on which a tax is determined under subparagraph (B), or

“(ii) the excess (if any) of—

“(I) the amount of taxable income which would (without regard to this paragraph) be taxed at a rate below 39.6 percent, over

“(II) the sum of the amounts on which a tax is determined under subparagraphs (A) and (B),

“(D) 20 percent of the adjusted net capital gain (or, if less, taxable income) in excess of the sum of the amounts on which tax is determined under subparagraphs (B) and (C).”

(2) MINIMUM TAX.—Paragraph (3) of section 55(b) is amended by striking subparagraph (C), by redesignating subparagraph (D) as subparagraph (E), and by inserting after subparagraph (B) the following new subparagraphs:

“(C) 15 percent of the lesser of—

“(i) so much of the adjusted net capital gain (or, if less, taxable excess) as exceeds the amount on which tax is determined under subparagraph (B), or

“(ii) the excess described in section 1(h)(1)(C)(ii), plus

“(D) 20 percent of the adjusted net capital gain (or, if less, taxable excess) in excess of the sum of the amounts on which tax is determined under subparagraphs (B) and (C), plus”

(c) CONFORMING AMENDMENTS.—

(1) The following provisions are each amended by striking “15 percent” and inserting “20 percent”:

(A) Section 531.

(B) Section 541.

(C) Section 1445(e)(1).

(D) The second sentence of section 7518(g)(6)(A).

(E) Section 53511(f)(2) of title 46, United States Code.

(2) Sections 1(h)(1)(B) and 55(b)(3)(B) are each amended by striking “5 percent (0 percent in the case of taxable years beginning after 2007)” and inserting “0 percent”.

(3) Section 1445(e)(6) is amended by striking “15 percent (20 percent in the case of taxable years beginning after December 31, 2010)” and inserting “20 percent”.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsections (b) and (c) shall apply to taxable years beginning after December 31, 2010.

(2) WITHHOLDING.—The amendments made by paragraphs (1)(C) and (3) of subsection (c) shall apply to amounts paid on or after January 1, 2011.

SEC. 103. REPEAL OF SUNSET ON EXPANSION OF CHILD TAX CREDIT.

(a) REPEAL OF SUNSET ON MODIFICATIONS TO CREDIT.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to sections 201 (relating to modifications to child tax credit) and 203 (relating to refunds disregarded in the administration of Federal programs and federally assisted programs) of such Act.

(b) PERMANENT INCREASE IN REFUNDABLE PORTION OF CREDIT.—